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No. 87-364

Supreme Court, U.S.

FILED

JAN 14 1988

JOSEPH F. SPANIOLO, JR.
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1987

**PUBLIC SERVICE COMMISSION OF THE
STATE OF NEW YORK, ET AL.,**

Petitioners,

v.

**MARTIN EXPLORATION MANAGEMENT
COMPANY, ET AL.,**

Respondents.

**ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR
THE TENTH CIRCUIT**

BRIEF FOR THE PETITIONERS

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January 14, 1988

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QUESTION PRESENTED

Whether the Federal Energy Regulatory Commission properly concluded that Section 121 of the Natural Gas Policy Act, 15 U.S.C. 3331, mandating deregulation of certain categories of gas, makes inapplicable to such gas all ceiling price provisions under Title I of that Act.¹

¹ The parties and their alignment in the court of appeals are as follows:

Petitioners: Martin Exploration Management Company, Colorado Energy Corporation, Phillips Petroleum Company, Phillips Oil Company, Exxon Corporation, Shell OffShore, Inc., Shell Western E&P, Inc., Independent Oil & Gas Association of West Virginia, and Amoco Production Company.

Respondent: Federal Energy Regulatory Commission.

Intervenors: Arco Oil & Gas Company, Ohio Oil and Gas Association, Independent Oil and Gas Association of West Virginia, Gulf Oil Corporation, successor to Chevron U.S.A., Inc., Union Oil Company of California, Champlin Petroleum Company, Pennzoil Company, Pennzoil Oil & Gas, Inc., Pennzoil Producing Company, Placid Oil Company, Tennessee Gas Pipeline Company, a division of Tenneco, Pacific Gas & Electric Company, Amoco Production Company, Transok, Inc., Oklahoma Natural Gas Company, a division of Oneok, Inc., Associated Gas Distributors, Public Service Commission of the State of New York, Pacific Lighting Gas Supply Company, Southern California Gas Company, Consolidated Gas Transmission Corporation, Panhandle Eastern Pipe Line Company, Cities Service Oil and Gas Corporation, Grace Petroleum Corporation, Valero Transmission Company, BHP Petroleum Company, Inc., successor to Monsanto Oil Company, Texas Eastern Transmission Corporation, Transwestern Pipeline Company, United Gas

TABLE OF CONTENTS

	Page
Question Presented	i
Opinions Below	1
Jurisdiction	2
Statutes and Regulations Involved	2
Statement	3
Summary of Argument	8
Argument:	
Section 121 of the Natural Gas Policy Act of 1978 Compels Deregulation For All Qualify- ing Gas, Including That Which Also Qualifies For Regulated Pricing Ceilings	9
A. The Plain Language of the NGPA And Its Legislative History Demonstrate That Regulated Prices Were Not Intended To Apply Once Gas Qualifies For Deregulation	9
B. The Purposes of the NGPA And FERC's Contemporaneous Interpretation Confirm That Regulated Prices Are Inapplicable To Dually-Qualified Gas	14
Conclusion	17
Addendum	1a

Pipe Line Company, United Texas Transmission
Company, and Texas Gas Transmission Corpora-
tion.

Pursuant to Rule 28, we include as an Addendum hereto a listing
naming all parent companies, subsidiaries and affiliates of the corporate
petitioners.

TABLE OF AUTHORITIES

	Page
<i>Cases:</i>	
<i>American Tobacco Co. v. Patterson,</i> 456 U.S. 63 (1982)	15
<i>Board of Education v. Harris,</i> 444 U.S. 130 (1979)	16
<i>Chemical Mfrs. Assn. v. Natural Resources Defense</i> <i>Council, Inc.,</i> 467 U.S. 837 (1984)	10
<i>Chevron, U.S.A. Inc. v. Natural Resources Defense</i> <i>Council, Inc.,</i> 467 U.S. 116 (1985)	10, 13 16
<i>Church of the Holy Trinity v. United States,</i> 143 U.S. 457 (1892)	14
<i>Commissioner of Internal Revenue v. Engle,</i> 464 U.S. 206 (1984)	14
<i>Ford Motor Credit Co. v. Cenance,</i> 452 U.S. 155 (1981)	10
<i>Miller v. Youakim,</i> 440 U.S. 125 (1979)	16
<i>NLRB v. United Food & Commercial Workers</i> <i>Union, Local 23,</i> 56 U.S.L.W. 4037 (U.S. Dec. 15, 1987)	13
<i>Norwegian Nitrogen Products Co. v. United</i> <i>States,</i> 288 U.S. 294 (1933)	16
<i>Pennzoil Co. v. FERC,</i> 645 F.2d 360 (5th Cir. 1981) <i>cert. denied</i> 454 U.S. 1142 (1982)	4
<i>Power Reactor Development Co. v. International</i> <i>Union of Electrical, Radio and Machine</i> <i>Workers,</i> 367 U.S. 396 (1961)	16
<i>Public Service Commission of the State of New</i> <i>York v. Mid-Louisiana Gas Co.,</i> 463 U.S. 319 (1983)	3, 4, 5

	Page
Cases (continued):	
<i>Transcontinental Gas Pipe Line Corp. v. State Oil & Gas Board</i> , 474 U.S. 409 (1986)	3, 14, 15
<i>TVA v. Hill</i> , 437 U.S. 153 (1978)	10
<i>United States v. American Trucking Assns., Inc.</i> , 310 U.S. 534 (1940)	15
<i>United States v. Wise</i> , 370 U.S. 405 (1962)	14
<i>United Steelworkers of America v. Weber</i> , 443 U.S. 193 (1979)	14
<i>Young v. Community Nutrition Institute</i> , 476 U.S. 974 (1986)	16
<i>Zenith Radio Corp. v. United States</i> , 437 U.S. 443 (1978)	16
Statutes and Regulations:	
Natural Gas Act of 1938, 15 U.S.C. 717 <i>et seq.</i>	4
Natural Gas Policy Act of 1978, Tit. I, 15 U.S.C. 3301 <i>et seq.</i>	2, 3, 10
§ 100, 15 U.S.C. 3301	2, 13
§ 101(b)(5), 15 U.S.C. 3311(b)(5)	<i>passim</i>
§ 101(b)(9), 15 U.S.C. 3311(b)(9)	5
§ 102(c), 15 U.S.C.	11
§ 107(c)(5), 15 U.S.C. 3317(c)(5)	6
§ 108, 15 U.S.C. 3318	5, 11, 12
§ 121, 15 U.S.C. 3331	2, 5
18 C.F.R. Section 270.208	3, 8, 9

	Page
Miscellaneous:	
124 Cong. Rec. (1978): P. 29659	14
p. 38361	14
p. 38363	12
H.R. Conf. Rep. 95-1752, 95th Cong. 2d Sess. (1978) ..	3
Note: <i>Legislative History of the Natural Gas Policy Act: Title I</i> , 59 Tex. L. Rev. 101 (1980)	15

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OPINIONS BELOW

The opinion of the court of appeals (App. 1a-28a) is reported, as modified, at 813 F.2d 1059. The order of the court of appeals denying rehearing and modifying the initial panel opinion (App. 29a-31a) is unreported. The Federal Energy Regulatory Commission (FERC) notice of proposed rulemaking (App. 34a-60a) is reported at 49 Fed.Reg. 36399. FERC's Order No. 406 accompanying issuance of its final rule (App. 61a-103a) is reported at 49 Fed.Reg. 46874 and F.E.R.C. Stats. and Regs. ¶ 30,613 and 29 FERC ¶ 61,202 (CCH) (1984). FERC's opinion (Order No. 406-A) denying rehearing in relevant part (App. 104a-126a) is reported at 49 Fed. Reg. 50637 and F.E.R.C. Stats. and Regs. ¶ 30,622 and 29 FERC ¶ 61,335 (CCH) (1984).

JURISDICTION

The judgment of the court of appeals (App. 32a-33a) was entered on March 9, 1987. The order of the court of appeals, denying timely filed petitions for rehearing was entered on May 1, 1987 (App. 29a-31a). On July 22, 1987, Mr. Justice White extended the time for filing a petition for a writ of certiorari to and including August 31, 1987. The petition was filed on that date and was granted on November 30, 1987. On November 30, the Court ordered that this case be consolidated with No. 87-363, *Federal Energy Regulatory Commission v. Martin Exploration Management Company, et al.* The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATUTES AND REGULATION INVOLVED

Section 101(b)(5) of the Natural Gas Policy Act of 1978, 15 U.S.C. 3311(b)(5), provides:

3311. Inflation adjustment: other general price ceiling rules

* * *

(b) Rules of General Application.

* * *

(5) Sales qualifying under more than one provision. If any natural gas qualifies under more than one provision of this subchapter providing for any maximum lawful price or for any exemption from such a price with respect to any first sale of such natural gas, the provision which could result in the highest price shall be applicable.

Section 121 of the Natural Gas Policy Act of 1978, 15 U.S.C. 3331, provides in pertinent part:

3311. Elimination of price controls for certain natural gas sales.

(a) General rule. Subject to the reimposition of price controls as provided in section 3332 of this title, the provisions of part A of this

subchapter respecting the maximum lawful price for the first sale of each of the following categories of natural gas shall, except as provided in subsections (d) and (e) of this section, cease to apply effective January 1, 1985:

* * *

18 C.F.R. 270.208 (1986) provides:

Applicability of Section 121

First sales of natural gas that is deregulated natural gas as defined in [18 C.F.R.] § 272.103(a) is price deregulated and not subject to the maximum lawful prices of the NGPA, regardless of whether the gas also meets the criteria for some other category of gas subject to a maximum lawful price under Subtitle A of Title I of the NGPA.

STATEMENT

In 1978, Congress enacted the Natural Gas Policy Act ("NGPA" or "the Act"), 15 U.S.C. 3301 *et seq.*, "to govern future natural gas regulation" because the then existing "regulatory structure was not working." *Transcontinental Gas Pipe Line Corp. v. State Oil & Gas Board* 474 U.S. 409, 420 (1986) quoting *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. 319, 330, 332 (1983). "Congress comprehensively and dramatically changed the method of pricing natural gas produced in the United States." *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. at 322. Phased deregulation of most categories of new natural gas is central to this statutory scheme and the transition to a deregulated gas production industry. See, H.R. Conf. Rep. 95-1752, 95th Cong., 2d Sess. 68 (1978); *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. at 336, n.14. The question here is whether FERC permissibly determined that all maximum lawful ceiling pricing provisions of the NGPA cease to apply to first sales of natural gas when such gas is deregulated under Section 121 of the NGPA, even if such gas also would qualify for a ceiling price which remains in effect for regulated

gas. Under FERC's decision, producers cannot rely upon the NGPA to charge regulated ceiling prices for certain categories of gas after those categories have been deregulated. The court of appeals rejected FERC's construction of the NGPA.

1. Most of the contracts for the sale of natural gas entered into since the early 1970's, when Congressional legislation to deregulate such sales became likely (*Public Service Commission of the State of New York v. Mid-Louisiana Gas Company*, 463 U.S. at 330), have contained separate provisions governing the prices to be paid under regulation and the prices to be paid if and when the sales were deregulated. Typically, the contractual pricing provisions applicable under regulation authorized the producer to charge the maximum lawful price which might thereafter be established. Under such "area rate" provisions, the producers have been held to be contractually entitled to collect either the maximum price fixed by FERC for the gas under the Natural Gas Act, 15 U.S.C. 717 *et seq.* ("NGA"), or any wellhead ceiling price established by Congress. *Pennzoil Co. v. FERC*, 645 F.2d 360 (5th Cir. 1981) *cert. denied*, 454 U.S. 1142 (1982). The separate contract pricing provisions applicable to the sales under deregulation, on the other hand, generally provided for a stated benchmark price to be applicable as of the date of deregulation subject to periodic renegotiations to arrive at prices reflecting current market conditions.

2. Prior to November 1978, the prices for gas sold by producers in interstate commerce for resale were determined by the Federal Power Commission and its successor, FERC, pursuant to provisions of the NGA. See *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. at 327-332. This regulatory scheme was drastically altered when Congress enacted the NGPA on November 8, 1978. Under the NGPA, Congress eliminated FERC's authority to fix the just and reasonable rates for first sales of various categories of natural gas and, in its stead, prescribed a series of ceiling prices which were to be maximum lawful prices. *Id.* at 334.

Because some first sales of gas would qualify for more than one regulated pricing category, the NGPA provided in Section 101(b)(5), 15 U.S.C. 3311(b)(5), that where gas

qualified under more than one ceiling price "or for any exemption from such a price," the provision which "could" result in the highest price shall be applicable. See *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. at 335. The NGPA also provides that a producer cannot exceed its contract price for any category of gas even if that price is less than the ceiling price applicable to that category. Section 101(b)(9), 15 U.S.C. 3311(b)(9).

In addition to the ceiling price mechanism, the NGPA also provides in Section 121, 15 U.S.C. 3331, for price deregulation of certain categories of gas on specified dates. Under Section 121, with certain exceptions inapplicable here, "the provisions . . . respecting the maximum lawful price for the first sale" of listed categories of gas "shall . . . cease to apply effective January 1, 1985." For these sales of gas, the statutory "ceiling prices are an intermediate step on the path from a fully regulated industry to a deregulated industry." *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. at 336, n.14. Section 121 thus provides "a mechanism for the ultimate decontrol of a number of categories of natural gas." *Id.*

The NGPA represented a legislative compromise between those who wished to deregulate all gas sales, or all sales of new gas, and those who desired to retain price regulation over all gas, or at least over already flowing gas. See *Public Service Commission of the State of New York v. Mid-Louisiana Gas Co.*, 463 U.S. at 331-333. Specifically, Congress in the NGPA provided that old flowing gas (and certain new gas produced from older reservoirs on old leases in the Outer Continental Shelf), would remain permanently subject to regulation, while categories of new and high cost gas would be subject to substantially higher ceiling rates for specified periods expiring in 1979, 1985, or 1987, at which time they would be deregulated pursuant to the provisions of Section 121 of the NGPA. In addition, Congress established a third category of higher price ceilings, applicable to either old or new gas, which was produced in small quantities from so-called "stripper wells" (Section 108, 15 U.S.C. 3318) or involved high cost production

which FERC found to present extraordinary risks or costs (Section 107(c)(5), 15 U.S.C. 3317(c)(5)).

3. In 1984, the FERC initiated a rulemaking proceeding to implement the congressionally required deregulation of major categories of new gas scheduled to become effective on January 1, 1985. See 49 Fed. Reg. 36,399 (1984). Following the filing of extensive comments, FERC concluded that all of the pricing provisions of Title I of the Act ceased to be applicable to the categories of gas deregulated pursuant to Section 121, even though such gas might also qualify for another category not subject to price deregulation under Section 121. In its order denying rehearing, 30 FERC ¶ 61,152 (CCH) (1985), FERC explained that:

The statute clearly states that price controls for certain "gas" shall cease to apply January 1, 1985. NGPA Section 121 mandates deregulation for these categories of gas. The fact that some of this gas also qualifies for another gas category does not alter this congressional mandate to deregulate.

The producers contended (App. 79a) that Section 101(b)(5) permits them to charge regulated ceiling rates under the "area rate" provisions of their sales contracts for "stripper well gas" under Section 108 of the NGPA or high cost gas under Section 107(c)(5), in lieu of charging prices prescribed under the post-deregulation pricing provisions of their sales contracts. However, FERC, finding that deregulation is mandatory under Section 121, rejected the producers' argument that Section 101(b)(5) is applicable to the gas at issue here. (App. 79a-80a).¹ In addition, FERC concluded that, even if the reference in Section 101(b)(5) to an exemption from a regulated price made the section to gas qualifying both for deregulation and a regulated ceiling, applicable the provision would

¹ FERC noted (App. 74a) that the producers themselves had previously argued that this provision was inapplicable, but had changed their position as market conditions changed to make regulated price ceilings more attractive than the provisions of their contracts governing the price for the sale subsequent to deregulation.

not allow producers to choose the highest price existing at any given time, whether regulated or deregulated; instead, FERC concluded that producers would still be required to apply the contract's provisions governing post-deregulation prices because parties may always negotiate a contract price that would be above a regulated price and, therefore, the deregulated price always "could result in a price higher than a regulated price." *Id.* at 79a.

4. Respondents petitioned to the United States Court of Appeals for the Tenth Circuit for review of FERC's order. A panel of the court of appeals set aside FERC's order on the dual qualification gas issue ruling that "FERC's interpretation is contrary to the clear intent of Congress as expressed in the unambiguous language of Section 101(b)(5) of the NGPA" (App. 22a).

The court of appeals held (App. 11a) that "Congress anticipated precisely this question in Section 101(b)(5)." The court first reasoned that Section 101(b)(5) is applicable to deregulated gas because it refers to gas qualifying under the provisions or the subchapter providing for any maximum lawful price or "for any exemption from such a price" and deregulated gas constitutes an "exemption from such a price" (App. 14a). As to FERC's conclusion that deregulated gas always "could result in the highest price" by contractual agreement, the court said that the regulated price for the gas "could" be higher at a given time because FERC is empowered to raise the ceiling prices for flowing gas to "just and reasonable" levels (App. 15a) and Section 101(b)(5) "requires a comparison of the applicable price for each category at a particular moment" (*id.* at 16a). The court of appeals recognized that the result of its decision rejecting FERC's interpretation of the NGPA is that considerable quantities of gas will be sold at higher regulated prices when contract prices for deregulated gas geared to market conditions are at a lower level, a result Congress did not envision. But it concluded that the result was due to Congress' lack of foresight and was a matter for legislative overview (App. 23a-24a).

SUMMARY OF ARGUMENT

In enacting the NGPA, Congress determined to phase in deregulation of natural gas wellhead prices and thus provided in plain, unambiguous language that the Act's statutory ceiling prices "shall . . . cease to apply" to various categories of gas at the various dates set for deregulation. Congress provided no exception for gas that also may qualify for a regulated ceiling price. To implement the congressional mandate, FERC enacted the regulation challenged here, 18 C.F.R. 270.208 (1986), which states that deregulated natural gas is "not subject to the maximum lawful prices of the NGPA, regardless of whether the gas also meets the criteria for some other category of gas subject to a maximum lawful price under subtitle A of Title I of the NGPA."

FERC's interpretation of the statute should be upheld because it is reasonable, if not compelling, and fully supported by the language of the statute, the legislative history and the congressional purpose. Even the lower court found FERC's interpretation "would be a reasonable interpretation" were it not for Section 101(b)(5) which provides that if natural gas qualifies for more than one "maximum lawful price or for any exemption from such a price with respect to any first sale of such natural gas, the provision which could result in the highest price shall be applicable."

But, assuming Section 101(b)(5) is applicable when gas qualifies for deregulation under one of the Section 121 categories and for a ceiling price under another category, the deregulated price must govern because it always "could result in the highest price." This follows from the fact that the statutory ceiling prices are upper limits while there are no statutory limitations on deregulated prices. Moreover, the lower court's interpretation leads to the absurd result of allowing producers to switch monthly between regulated and deregulated prices to select those they find most beneficial.

FERC's construction is entitled to deference even in the ordinary case, but the general principle is particularly compelling here regardless of whether another reading of the statutory language might also be appropriate. At a minimum, it

is enough that FERC's interpretation is permissible. FERC's interpretation is the only one which is consistent with the statutory scheme and is a permissible one adopted by the regulators who first set the NGPA's machinery in motion.

ARGUMENT

SECTION 121 OF THE NATURAL GAS POLICY ACT OF 1978 COMPELS DEREGULATION FOR ALL QUALIFYING GAS, INCLUDING THAT WHICH ALSO QUALIFIES FOR REGULATED PRICING CEILINGS

A. The Plain Language of the NGPA And Its Legislative History Demonstrate That Reg- ulated Prices Were Not Intended To Apply Once Gas Qualifies For Deregulation

The language of Section 121 of the NGPA, "Elimination of price controls for certain natural gas sales," provides as the "General rule" that "the provisions of part A of this subchapter respecting the maximum lawful price for the first sale of each of the following categories of natural gas shall . . . cease to apply" at the various dates set for deregulation. The statute in straightforward terms provides that the statutory ceiling prices shall no longer apply to the specified gas on the listed dates. Congress left no room for discretion. In plain, unambiguous terms, Congress removed the ceiling prices for such gas in favor of deregulation and reliance upon the sales contract. The mandatory statutory language includes no exceptions (except for the possibility of Presidential reimposition of price controls under Section 122 of the NGPA which is not applicable here). Nor does the language limit in any way removal of the ceiling prices for the listed categories of gas when, but for deregulation, that gas would qualify for statutory ceiling prices. Instead, under the congressional scheme, all provisions of the Act providing ceiling prices for the categories of gas which are deregulated "cease to apply" on the given dates.

FERC thus enacted its regulation under review here, 18 C.F.R. 270.208 (1986), which provides that deregulated natural

gas "is price deregulated and not subject to the maximum lawful prices of the NGPA, regardless of whether the gas also meets the criteria for some other category of gas subject to a maximum lawful price under Subtitle A of Title I of the NGPA." FERC concluded that the language of Section 121, that price controls "shall . . . cease to apply January 1, 1985," mandates deregulation for the listed categories of gas (App. 75a-77a, 108a-110a). In FERC's view, "[t]he fact that some of this gas also qualifies for another gas category does not alter this Congressional mandate to deregulate" (App. 109a). FERC found its construction of the NGPA to be compelled not only by the language of Section 121, but also by the congressional intent "to phase from regulated ceiling prices in the short-term to market clearing prices in the long-term" (App. 76a).

That should have been the end of the matter. The language of Section 121 is plain and unambiguous and therefore should be conclusive. *E.g.*, *TVA v. Hill*, 437 U.S. 153, 184 n.29 (1978); *Ford Motor Credit Co. v. Cenance*, 452 U.S. 155, 158 n.3 (1981). FERC's construction of the statute is compelling; at a minimum, it is reasonable and permissible, and it is entitled to deference. *E.g.*, *Chevron, U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843-844 (1984); *Chemical Mfrs. Assn. v. Natural Resources Defense Council*, 470 U.S. 116, 125 (1985). Giving lip service to those maxims, the lower court found (App. 11a) FERC's interpretation of the language of Section 121 "would be a reasonable interpretation." It nevertheless concluded that this language was "ambiguous" and that FERC's otherwise reasonable interpretation could not be sustained in the light of the "plain language" of Section 101(b)(5) which, the court concluded, controlled the present situation and required a contrary result (App. 11a). The lower court is simply wrong.

In the first place, Section 121 is not ambiguous. The alleged ambiguity stems from the fact that Section 121 provides for deregulation of specified categories of gas rather than repeal of specific pricing categories. It was therefore argued by various producer parties that the pricing provisions which "cease to apply" to deregulated gas are limited to those necessarily applicable to the listed types of gas being deregulated

and that the other pricing provisions for which such gas might qualify remain in effect. (App. 11a).

The court of appeals did not hold that such an interpretation would be justifiable. It could not have done so since Section 121 contains no such limitation. Thus it does not state that the ceiling price specified by Section 102 shall cease to apply to gas qualifying under Section 102(c), (one of the categories of gas deregulated as of January 1, 1985). Instead, it specifies that as of that date all "provisions of part A of this subpart respecting the maximum lawful price for the first sale" of gas as defined in Section 102(c) "shall . . . cease to apply".

Moreover, there is no indication that Congress intended Section 101(b)(5) to control the situation presented here. The language of Section 101(b)(5) says nothing about deregulated gas and we are unaware of even a single statement in the legislative history that suggests that Congress intended Section 101(b)(5) to apply when categories of gas qualify for deregulation.

The lower court construed Section 101(b)(5) as providing that if a sale of gas which had been qualified under two pricing provisions of the NGPA and is "exempted" from complying with one of the price ceilings pursuant to Section 121, but the sale remains qualified for treatment under another price category, the producer has the option, exercisable on a month-by-month basis, to choose whether to price the gas under either the regulated price provisions or the post-deregulation price provisions of its sales contracts. However, Section 121 does not make specific pricing provisions inapplicable to deregulated gas. Instead, under Section 121, none of the Act's pricing provisions any longer apply to deregulated gas. If prior to its deregulation, gas is eligible for both the Section 102 and 108 ceiling prices, after deregulation it is eligible for neither: both cease to apply, and it is exempted from complying with the limitations of both.

Any interpretation of Section 101(b)(5) which allows producers a permanent option to operate under regulation or deregulation, as it suits their immediate interests, is inconsistent with the legislative history of the Section. As Representative

Dingell, House floor leader¹ for the bill which became the NGPA, emphasized in his comprehensive explanatory statement of the bill's intent, Section 101(b)(5):

is intended to facilitate resolution of which ceiling may apply if more than one ceiling price appears applicable. Whichever ceiling price could result in the highest price is the applicable maximum lawful price. 124 Cong. Rec. 38363 (1978).

Representative Dingell further explained that the producer's option between two maximum pricing provisions was only available prior to deregulation of the gas involved in the sale:

Another way in which dual determination requests could be appropriate would be in cases in which one determination would yield a short term benefit, while another a long term advantage. Such could be the case where a new well produces new gas and also qualifies as a stripper well. A single proceeding to determine qualification for both designations *would permit the producer to obtain stripper well pricing under Section 108 prior to January 1, 1985 and deregulation as new gas thereafter.*

(*Id.*) (Emphasis added).²

In addition, as FERC said (App. pp. 77a-78a), Section 121 of the Act expressly makes all of the provisions of Subtitle A of Title I of the Act, including the rule of construction set out in Section 101(b)(5), inapplicable to deregulated gas.

²The contrary result reached by the court below would allow the producer to continue to collect the ever increasing ceiling price under Section 108, which is presently at a level of \$5.103 per Dth and increases at 4% per month, plus an inflation factor. It is inconceivable Congress intended that this ever-increasing rate would be applicable to deregulated gas in perpetuity. Instead Congress clearly adopted the very high ceiling price for stripper well gas in recognition of the fact that that section would be applicable to "new" gas only until it was deregulated, (after which market forces would prevail), and to old flowing gas (or gas produced from old reserves on old offshore leases) only until the finite reserves of such gas were depleted.

The lower court suggested (App. 13a) that this argument goes too far since it would make inapplicable to deregulated gas all the rules of construction and other provisions contained in Section 101 of the Act. But these provisions are related to the computation of the maximum lawful prices set out in Subtitle A of Title I and are not necessary for the proper construction either of Subtitle B thereof, or the remainder of the Act. The definitions of general applicability are, instead, set out separately in Section 2, 15 U.S.C. 3301, which precedes any of the substantive provisions of the Act.

Finally, even if the reference to gas qualifying for an exemption from any ceiling price in Section 101(b)(5) refers to gas which has been deregulated under Section 121, it does not support the lower court's decision. Contrary to the court of appeals' conclusion, any ambiguity in the provisions at issue arises from Section 101(b)(5) and not Section 121. The ambiguity, if any, is in the word "could" in the clause of Section 101(b)(5): "the provision which could result in the highest price shall be applicable". No ambiguity occurs when Section 101(b)(5) is applied to gas that qualifies for one or more regulated price categories; it conceivably occurs only when gas qualifies for one of the categories deregulated under Section 121 and one of the categories subject to a regulated ceiling price. The most reasonable interpretation of Section 101(b)(5) in such circumstances, and the only one which is consistent with Section 121, would be as FERC found, that where gas qualifies both for deregulation under Section 121 and for a regulated price, the deregulated price will govern because it always "could result in the highest price." Whether at a particular moment a regulated ceiling price might be higher than an unregulated price is irrelevant. Because there are no *statutory* limitations on a deregulated price, it always "could" be higher than any regulated price.

Under these circumstances, the lower court erred in finding Congress clearly expressed its intent in the language of Section 101(b)(5) and in refusing to defer to FERC's permissible construction. *Chevron U.S.A., Inc. v. Natural Resources Defense Council, supra*; *NLRB v. United Food & Commercial Workers Union, Local 23*, 56 U.S.L.W. 4037, 4040-41 (U.S. Dec. 15, 1987).

B. The Purposes of the NGPA And FERC's Contemporaneous Interpretation Confirm That Regulated Prices Are Inapplicable To Dually Qualified Gas

The foregoing amply demonstrates that FERC's construction of the NGPA is reasonable. The NGPA's general purposes support FERC's conclusion that statutory ceiling prices for first sales of such gas no longer apply as soon as that gas qualifies for deregulation. What is significant in understanding Congress' intent in enacting the NGPA is the harm the statute was designed to prevent and the situation "as it was pressed upon the attention of the legislative body." *Church of the Holy Trinity v. United States*, 143 U.S. 457, 463 (1892). See *United Steelworkers of America v. Weber*, 443 U.S. 193, 207 (1979); *United States v. Wise*, 370 U.S. 405, 411 (1962). The circumstances surrounding enactment of the NGPA show that FERC's interpretation of the statute, and not that of the lower court, "can most fairly be said to be imbedded in the statute in the sense of being most harmonious with its scheme and with the general purposes that Congress manifested." *Commissioner of Internal Revenue v. Engle*, 464 U.S. 206, 217 (1984).

The history of the NGPA indicates that the principal concern underlying adoption of the NGPA was serious gas shortages and an imbalance between supply and demand existing under the pricing scheme of prior legislation. *Transcontinental Gas Pipe Line Corp. v. State Oil & Gas Board*, 474 U.S. 409, 420 (1986). Congress found that "direct federal price control exacerbated supply and demand problems by preventing the market from making long-term adjustments." *Id.* at 424. To remedy this situation, and "to assure adequate supplies of natural gas at fair prices," Congress enacted an overall scheme of phased deregulation. *Id.* at 421. See also 124 Cong. Rec. 38361 (1978) (remarks of Rep. Dingell); 124 Cong. Rec. 29659 (1978) (remarks of Sen. Percy).

FERC therefore correctly determined that its interpretation of the NGPA as compelling deregulation for qualifying gas was fully "consistent with the overall scheme envisioned

by Congress when it enacted the NGPA—to provide incentive prices to encourage exploration and development of new reserves in the short-term, and to gradually substitute market forces for regulated prices by phasing in deregulation in 1985 and 1987" (App. 74a). FERC implemented the NGPA in a way which gives meaning to the congressional intent to deregulate.

In sharp contrast, the lower court's interpretation of the statute vitiates this purpose.³ Because pricing of natural gas under the lower court's decision turns on monthly analyses of which conditions are most favorable to producers, the congressional objective of staged deregulation is substantially damaged. The lower court's decision improperly benefits the producers by giving them a monthly choice between deregulated and regulated prices to secure the highest price at any given time. This result is contrary to the congressional effort to allow market forces to determine prices and "to eliminate the distortive efforts that NGA price control had had on supply and demand." *Transcontinental Gas Pipe Line v. State Oil and Gas Board*, 474 U.S. at 424.

Moreover, the lower court's interpretation of the NGPA cannot stand for the additional reason that it would produce absurd results which must be avoided when, as here, an alternative interpretation consistent with the legislative purpose and statutory language is available. See *United States v. American Trucking Assns., Inc.*, 310 U.S. 534, 542-543 (1940); *American Tobacco Co. v. Patterson*, 456 U.S. 63, 71 (1982). It is absurd to construe the NGPA to allow producers to freely move, at their option, from regulation to deregulation and back again. To allow producers to maximize profits in this way would turn the statute on its head because it would change "consumer protection" legislation (See Note, *Legislative History of the Natural Gas Policy Act*: Title I, 59 Tex. L. Rev. 101, 116 (1980)) into a windfall for producers at an additional

³It is noteworthy that respondents have not explained how they believe the lower court's interpretation is consistent with the legislative intent to phase-in deregulation. Nor have respondents shown that Congress intended to allow producers to choose between regulated and deregulated prices or to switch gas back and forth.

expense to consumers which has been estimated to exceed three hundred million dollars for the years 1985-1987 alone.

This Court should not reject FERC's interpretation of Sections 101(b)(5) and 121, which has been formalized in a regulation after extensive comments and analysis. FERC has consistently construed Section 121 to mean that all specified categories of gas are deregulated, regardless of whether such gas might also qualify for a higher ceiling price remaining applicable to regulated gas. An agency's interpretation of the statute it is charged with executing should not be overturned unless there are "compelling indications" that the interpretation is wrong. See, e.g., *Miller v. Youakim*, 440 U.S. 125, 143-144 & n.25 (1979); *Zenith Radio Corp. v. United States*, 437 U.S. 443, 450-51 (1978). It is enough that FERC's interpretation "is based on a permissible construction of the statute," even if there are other allowable interpretations, for "a court may not substitute its own construction of a statutory provision for a reasonable interpretation made by the . . . agency" charged with implementing the statute. *Chevron, U.S.A. Inc. v. Natural Resources Defense Council*, 467 U.S. 837, 843-844 (1984); see *Young v. Community Nutrition Institute*, 476 U.S. 974 (1986). These maxims are particularly apt where, as here, the agency's interpretation is a "contemporaneous construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new." *Norwegian Nitrogen Products Co. v. United States*, *supra*, 288 U.S. 294, 315 (1933).⁴

In sum, every indicium of legislative intent — the "overall structure of the Act, Congress' statements of purpose and policy, the legislative history, and the text of" the NGPA (*Board of Education v. Harris*, 444 U.S. 130, 149-150 (1979))

⁴There is no merit to respondents' claim (Br. in Opp. 9, n.7) that FERC's construction of the statute is too late to be considered contemporaneous. See, e.g., *Power Reactor Development Co. v. International Union of Electrical, Radio and Machine Workers*, 367 U.S. 396 (1961) where an administrative construction approximately five years after enactment of the Atomic Energy Act was contemporaneous and entitled to deference.

— supports FERC's conclusion that regulated prices no longer apply to gas that also falls within the deregulation mandate of Section 121 of the NGPA.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

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January 14, 1988

ADDENDUM

(Listings naming all parent companies, subsidiaries, and affiliates of the corporate petitioners)

TENNECO INC. AND SUBSIDIARIES AND AFFILIATES

TENNECO INC. (Delaware)	
Agricultural & Industrial Management, Inc. (Delaware) . .	100%
Albright & Wilson Inc. (Delaware)	100
Chemrich, Inc.	100
Brake-Pro Systems Inc. (Delaware)	100
DeKoven Manufacturing Co. (Wisconsin)	100
East Tennessee Natural Gas Company (Tennessee)	100
Eastern Insurance Company Limited (Bermuda)	100
ERCO Industries Inc. (Delaware)	100
Houston Oil & Minerals Corporation (Nevada)	100
Houston Oil & Minerals Exploration Company (Texas)	100
Houston Oil & Minerals Products Company (Texas) .	100
Houston Oil International, Inc. (Texas)	100
HOCOL, S.A. (Cayman Islands)	100
J.I. Case GmbH (Germany)	100
J.I. Case S.A. (France)	100
Etablissement Lacroix S.A. (France)	100
Etablissement L. Bouilloux S.A. (France)	98
Poclain S.A. (France)	44
Agencias Petroleras, Ltda. (Colombia) . . .	100
Tenneco Espana SA (Spain)	100
Tenneco Petrole Gabon, S.A. (Cayman Islands)	100
Houston Oil & Minerals of Columbia, Inc. (Texas)	100
Houston Oil & Minerals of Dubai, Inc. (Texas)	100
Houston Oil & Minerals of The Netherlands, Inc. (Texas)	100
Houston Oil & Minerals of Tunisia, Inc. (Texas)	100
Houston Oil & Minerals U.K., Inc. (Texas)	100
LaTerre Colombia, S.A. (Cayman Islands)	100
Tenneco Oil & Minerals of UMM AL-QAIWAIN (Texas)	100
Tenneco Oil of Gabon, Inc. (Texas)	100

Subsidiaries of Tenneco Inc. (continued)

Houston Production Company (Texas)	100%
Houston Royalty Company (Nevada)	100
Magrange Inc. (Texas)	100
Intake Water Company (Delaware)	100
Kern River Corporation (Delaware)	100
Kern River Gas Transmission Company (Texas General Partnership) (Kern River Corporation has 50% ownership as General Partner and Williams Western Pipeline Company, an unaffiliated company, has 50% ownership as General Partner)	
Kern River Gas Supply Corporation (Delaware)	50
(50% ownership by The Williams Companies, an outside company)	
Kern River Service Corporation (Delaware)	50
(50% ownership by The Williams Companies, an outside company)	
Land Ventures Inc. (Delaware)	100
Lorneterm LNG Limited (Canada)	100
Midwestern Gas Transmission Company (Delaware)	100
Midwestern Gas Marketing Company (Delaware)	100
Mineral Tenneco de Panama, S.A.	100
Monroe Auto Equipment Company (Delaware)	100
E-Z Ride Shock Absorber Company (Michigan)	100
Monroe Argentina S.A.I.C. y F. (Argentina)	100
Monroe Auto Equipement France S.A. (France)	100
Monroe Auto Equipment GmbH (Germany)	100
Monroe do Brasil Industria e Comercio Ltda. (Brazil)	100
Monroe Auto Pecas S.A. (Brazil)	80
Monroe Japan Co., Ltd. (Japan)	100
Regal Ride Shock Absorber Company (Michigan)	100
Sudinpar Holding Etablissement (Liechtenstein)	100
Tenneco Automotive Foreign Sales Corporation Limited (Jamaica)	98
Tenneco Automotive International Sales Corporation (Delaware)	100
New Tenn Company (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Northeastern Gas Transmission Company (Delaware) ...	100%
Tenneco Alaska, Inc. (Delaware)	100
Tenneco China Trade Inc. (Delaware)	100
Tenneco United Company (a Texas General Partnership) (Tenneco China Trade, Inc. has 50% ownership and Indamerica International, Inc., a California corporation has 50% ownership.)	
Tenneco Coal Company (Delaware)	100
Tenneco Communications Corporation (Delaware)	100
Tenneco Corporation (Delaware)	100
Bloor Automotive Inc. (Delaware)	100
Discoverer Services, Inc. (Delaware)	100
Blue Flame Gas Corporation (Delaware)	100
Car-X Service Systems, Inc. (Delaware)	100
Channel Industries Gas Company (Delaware)	100
Channel Industrial Sales Company (Delaware)	100
Collins Pipeline Company (Delaware)	80
Columbine Casualty Company (Colorado)	100
G & T Pipeline Company (Delaware)	100
International Sourcing and Countertrade Company (Delaware)	100
Kern County Land Company (Delaware)	100
Boquillas Cattle Company (Arizona)	100
J. I. Case Company (Delaware)	100
Case Engine Holding Company, Inc. (Delaware)	100
Consolidated Diesel Company (North Carolina Partnership)	50
Consolidated Diesel, Inc. (Delaware)	100
Grand Detour Plow Company (Wisconsin)	100
Kase S.A. De D. V. (Mexico)	100
J. I. Case Argentina S.A. (Argentina)	100
J. I. Case Credit Corporation (Wisconsin)	100
J. I. Case International, S.A. (Venezuela)	100
J. I. Case Leasing Corporation (Wisconsin)	100
J. I. Case Mfg. Company, Inc. (Wyoming)	100
J. I. Case Threshing Machine Company (Wisconsin)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

*Subsidiaries of Kern County Land Company
(continued)*

*Subsidiaries of J. I. Case Company
(continued)*

Pryor Foundry, Inc. (Oklahoma)	100%
Steiger Tractor, Inc. (Delaware)	100
Integrated Technical Systems, Inc. (North Dakota)	100
Steiger Australia Ltd. (North Dakota)	100
Steiger Financial Corp. (Pty) Ltd. (Australia)	100
Steiger Canada Ltd. (Canada)	100
Steiger Credit Company (North Dakota)	100
Steiger Credit Canada Ltd. (Canada)	100
Steiger International, Ltd. (Guam)	100
Tenneco Canada Inc. (Ontario)	100
Dunville Mining Co. Limited (Alberta)	100
Electric Reduction Sales Co., Ltd. (Canada)	100
ERCO Industries of Canada Limited (Canada)	100
J. I. Case do Brasil & Cia. (Brazil)	100
Case Capital Assets Manage- ment S/C Ltda. (Brazil)	100
Productors Andina de Acidos y Derivados Ltda (Columbia)	49
Tenneco Credit Canada Corpora- tion (Alberta)	100
The Case Company (Wisconsin)	100
Pueblo Del Sol Water Company (Arizona)	100
Tenneco West, Inc. (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

*Subsidiaries of Kern County Land Company
(continued)*

Subsidiaries of J. I. Case Company (continued)

Ag-Ventures, Incorporated (California)	100%
Cal-Date Company (California)	100
California Almond Orchards, Inc. (California)	100
California Harvest Shops, Incorporated (California)	100
Grandma Mac's Orchard, Inc. (California)	100
H-M-T Inc. (California)	100
Heggblade-Marguleas-Tenneco, Inc. (California)	100
House of Almonds, Inc. (Delaware)	100
Kern County Land Company, Inc. (California)	100
Kern Island Water Company (California)	100
Kern River Canal and Irrigating Company (California)	98
Sun Giant Sales Corporation (California)	100
Tenneco Exploration, Ltd. (Texas Limited Partnership) Tenneco Oil Company has 66.66% ownership as General Partner and Tenneco West, Inc. has 33.33% ownership as Limited Partner)	
Tenneco Exploration, Ltd. II (Texas Limited Partnership) (Tenneco Oil Company has 50% ownership as General Partner and Tenneco West, Inc. has 50% owner- ship as Limited Partner)	
Tenneco Farming Company (California)	100
Tenneco Property Development Corporation (California)	100
LHC Pipeline Company (Delaware)	100
Marlin Drilling Co., Inc. (Delaware)	100
Bluefin Supply Company (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Marlin International Drilling Company (Delaware)	100%
Marlin Colombia Drilling Co. Inc. (Delaware) .	100
Marlin-West Drilling Co., Inc. (Delaware)	100
Mitchell Supreme Fuel Company (Delaware)	100
Petro-Tex Chemical Corporation (Delaware)	100
Philadelphia Life Corporation (Pennsylvania)	100
State Gas Pipeline Company (Delaware)	100
SWL Development Corp. (Texas)	100
Counce Limited Partnership (Texas Limited Partnership) (SWL Development Corp. has 5% ownership as General Partner and Tenneco Credit Corporation has 95% ownership as Limited Partner)	
Counce Finance Corporation (Delaware) .	100
SWL Security Corp. (Texas)	100
T & M Terminal Company (Delaware)	80
Tenneco Aviation Limited (Delaware)	100
Tenneco Credit Corporation (Delaware)	100
Counce Limited Partnership (Texas Limited Partnership) (Tenneco Credit Corporation has 95% ownership as Limited Partner and SWL Development Corp. has 5% ownership as General Partner)	
Counce Finance Corporation (Delaware) .	100
Tenneco Storage Limited Partnership (Louisiana Limited Partnership) (Tenneco Oil Company has 50% ownership as General Partner and Tenneco Credit Corporation has 50% ownership as Limited Partner)	
Tenneco Storage Capital Corporation (Delaware)	100
Tenneco Cogeneration Development Company (Delaware)	100
Tenneco Financial Services Inc. (Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Tenneco Asset Management Company (Delaware)	100
Tenneco Asset Planning Company (Delaware) .	100
Tenneco Inc. (Nevada)	100
Tenneco Insurance Company (Delaware)	100
Argosy Offshore Ltd. (Texas Limited Partnership) (FC Marine Inc. has 1% ownership as General Partner; Tenneco Insurance Company has 74% ownership as Limited Partner; and Skips A/S Tudor (Norway) has 25% ownership as Limited Partner)	
Tenneco Insurance Ventures Inc. (Delaware)	100
Tenneco InterAmerican Inc. (Delaware)	100
LIG Chemical Company (Louisiana)	100
Louisiana Intrastate Gas Corporation (Louisiana)	100
Mid Louisiana Gas Company (Delaware)	100
Sunbelt Gas Gathering Company (Delaware)	100
Newport News Shipbuilding and Dry Dock Company (Virginia)	100
Asheville Industries Inc. (North Carolina) ...	100
Greeneville Metal Manufacturing, Inc. (Virginia)	100
The James River Oyster Corporation (Virginia)	100
Newport News Industrial Corporation (Virginia)	100
Newport News Industrial Corporation of Ohio (Ohio)	100
Newport News Offshore Systems Corporation (Virginia)	100
Newport News Reactor Services, Inc. (Virginia)	100
SBG Puerto Rico, Inc. (Puerto Rico)	50
Packaging Corporation of America (Delaware) ...	100

Subsidiaries of Tenneco (continued)

Subsidiaries of Tenneco Corporation (continued)

— Economy Printing & Lithographing Co.	
(Texas)	100
Alcan Ekco Limited (United Kingdom)	50
A/S Hastrup-Ekco Aluminum-Emballage	
(Denmark)	50
Plus Pack AB Svenska Hastrup-Ekco	
(Sweden)	100
Plus Pack A/S (Norway)	100
Plus Pack GmbH (Austria)	100
Plus Pack GmbH (Switzerland)	100
Ekco N. V. (Belgium)	100
Ekco GmbH (Germany)	100
Ekco S.A.R.L. (France)	100
Lake States Carriers, Inc. (Illinois)	100
Toyo Ekco Company, Ltd. (Toyo Ekco	
Kubushiki, Kaisha) (Japan)	50
Skogstre A/S (Norway)	50
Tennessee River Pulp & Paper Company	
(Delaware)	100
The Corinth and Counce Railroad Company	
(Mississippi)	100
Tuscaloosa Pipeline Company (Louisiana)	100
Tenneco Minerals Company (Delaware)	100
Prometheus Minerals (Canada) Ltd. (Canada)	100
Tenneco Minerals Company of Australia,	
Inc. (Delaware)	100
Tenneco Specialty Minerals Company (Delaware)	100
Windy Point Minerals, Ltd. (Canada)	100
Tenneco Oil Company (Delaware)	100
Caldyne, Inc. (Delaware)	100
Direct Oil Corporation of Texas (Texas)	100
FC Marine Inc. (Delaware)	75
(Skips A/S Tudor owns 25%)	

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco InterAmerica, Inc. (continued)

Argosy Offshore Ltd. (Texas Limited	
Partnership)	
(FC Marine Inc. has 1% ownership as	
General Partner; Tenneco Insurance	
Company has 74% ownership as	
Limited Partner; and Skips A/S Tudor	
(Norway) has 25% ownership as Limit-	
ed Partner)	
GEO Oil and Gas Company of Houston	
(Delaware)	100%
Greene's Propane Gas Corporation (Georgia)	100
HCT Oil and Gas Company (Delaware)	100
LaTerre Development Corp. (Delaware)	100
LaTerre Petroleum (U.K.), Inc. (Delaware)	100
LEDco, Ltd. (Pennsylvania Limited	
Partnership)	
(Tenneco Oil Company has 99% owner-	
ship as Limited Partner and One Inde-	
pendence Corporation has 1% owner-	
ship as General Partner)	
Resource Oil and Gas Company	
(Delaware)	100
TINCO, Ltd. (Texas Limited Partner-	
ship)	
(LEDco, Ltd. has 43.3% owner-	
ship as Limited Partner and Tenneco	
Oil Company has 56.7% ownership	
as General Partner)	
Mistal, Inc. (Delaware)	51
Mont Belvieu Land Company (Delaware)	100
Multistate Oil Properties, Inc. (Delaware)	100
Multistate Oil Properties, N.V. (Netherlands	
Antilles)	100
One Independence Corporation	
(Delaware)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco Oil Company (continued)

LEDCO, Ltd. (Pennsylvania Limited Partnership) (One Independence Corporation has 1% ownership as General Partner and Tenneco Oil Company has 99% ownership as Limited Partner)	
Operators, Inc. (Delaware)	100%
Ship Channel Chemicals Company (Delaware)	100
TENN-USS Chemicals Company (Texas General Partnership) (Ship Channel Chemicals Company has 50% ownership as General Partner)	
TENN-USS Chemicals Finance Corporation (Delaware)	50
(100% ownership in TENN-USS Chemicals Company, a Texas Partnership in which Ship Channel Chemicals Company owns 50%)	
Tenneco Exploration, Ltd. (Texas Limited Partnership) (Tenneco Oil Company has 66.66% ownership as General Partner and Tenneco West, Inc. has 33.33% ownership as Limited Partner)	
Tenneco Exploration, Ltd. II (Texas Limited Partnership) (Tenneco Oil Company has 50% ownership as General Partner and Tenneco West, Inc. has 50% ownership as Limited Partner)	
Tenneco LaTerre, Inc. (Delaware)	100
Tenneco Marine Services, Inc. (Delaware)	100
Tenneco OCS Company, Inc. (Delaware)	100
Tenneco Oil Pipeline Company (Delaware)	100
Tenneco Retail Service Company (Delaware)	100
Tenneco Retail Service Company of Texas (Texas)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco Oil Company (continued)

Tenneco Storate Limited Partnership (Louisiana Limited Partnership) (Tenneco Oil Company has 50% ownership as General Partner and Tenneco Credit Corporation has 50% ownership as Limited Partner)	
Tenneco Storage Capital Corporation	100%
TINCO, Ltd. (Texas Limited Partnership) (Tenneco Oil Company has 56.7% ownership as General Partner and LEDCO, Ltd. has 43.3% ownership as Limited Partner)	
Viscosity Oil Company (Illinois)	100
Tenneco Oil Company of Nigeria (Delaware)	100
Tenneco Oil of Nigeria Unlimited (Nigeria)	50
Tenneco Phosphate, Inc. (Delaware)	100
Tenneco Polymers, Inc. (Delaware)	100
Tenneco Resins, Inc. (Delaware—in dissolution)	100
Tenneco Eastern Realty, Inc. (New Jersey)	100
Tenneco Synfuels Company (Delaware)	100
Tenneco Uranium, Inc. (Delaware)	100
Tenneco Gas Pipeline Corporation (Delaware)	100
Tennessee Gas Pipeline Corporation (Delaware)	100
Tennessee Overthrust Gas Company (Delaware)	100
Tenngasco Corporation (Delaware)	100
Creole Gas Pipeline Corporation (Louisiana)	100
Tenngasco Exchange Corporation (Delaware)	100
Tenngasco Gas Gathering Company (Delaware)	100
Tenngasco Gas Supply Company (Delaware)	100
HT Gathering Company (Texas)	50
Oasis Pipeline Company (Delaware)	20
Tenngasco Marketing Corporation (Delaware)	100
THC Pipeline Company (Delaware)	100
Walker Deutschland GmbH (Germany)	100
West Africa Corporation (Delaware)	100
Tenneco Oil Company of Nigeria Unlimited (Nigeria)	50

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Subsidiaries of Tenneco Oil Company (continued)

Tenneco Delta XII Gas Co., Inc. (Delaware)	100%
Tenneco LNG International Inc. (Panama)	100
Tenneco Energy Ltd. (Canada)	100
Tenneco Foreign Sales Corporation (U.S. Virgin Islands)	100
Tenneco International Energy, Inc. (Delaware)	100
Tenneco International Inc. (Delaware)	100
A B Starla-Werken (Sweden)	100
J. I. Case Sweden A.B. (Sweden)	100
Sara Gretes Cafeteria AB (Sweden)	50
Tenneco Transicol AB (Sweden)	100
Case Belgium Inc. (Delaware)	100
Case France, S.A. (France)	100
Societe Francaise Immobiliere Franim (France)	100
Tractorwork Iberica, Inc. (Delaware)	100
Case Tracteurs S.A. (France)	100
Case Traktoren GmbH (Germany)	100
Compania de Financiacion Case, S.A. (Spain)	100
Etablissement Robert Bellanger, S.A. (France)	100
Speedy Et Cie SNC (France)	100
(Etablissement Robert Bellanger, S.A. has 99% ownership and Speedy Inc. has 1% ownership)	
J. I. Case (Australia) Pty., Ltd. (Australia)	100
J. I. Case Credit Corporation of Australia Pty. Limited (Australia)	100
J. I. Case (Murray Bridge) Pty. Ltd. (Australia)	100
J. I. Case Norge A/S (Norway)	100
J. I. Case Operations (Europe) Inc. (Delaware)	100
J. I. Case S.A. (Spain)	100
J. I. Case South Africa (Pty.) Ltd. (South Africa)	100
J. I. Case S.W.A. (Proprietary) Ltd. (South West Africa)	100
J. I. Case Sweden Inc. (Delaware)	100
Monroe Australia Proprietary Limited (Australia)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Corporation (continued)

Wylie Superannuation Pty. Ltd. (Australia)	100%
Omni-Pac GmbH (Germany)	1
Omni-Pac S.A.R.L. (France)	97
Poclain do Brasil S.A. (Brazil)	100
P.P.M. Guindastes Hidraulicos S.A. (Brazil)	99
Riverside Date International, Inc. (Delaware)	100
Tunisian American Date Company (Tunisia)	49
S.A. Paper Chemicals (Proprietary), Limited (South Africa)	60
S.A. Tenneco Belgium (Poclain-Nibrie-Petro-Tex) N. V. (Belgium)	100
Somadoc N. V. (Belgium)	100
Societe Anonyme Industrielle des Resines (France)	100
Speedy Inc. (Delaware)	100
Speedy Et Cie SNC (France) (Speedy Inc. has 1% ownership and Etablissement Robert Bellanger, S.A. has 99% ownership)	
Tenneco Australia, Inc. (Delaware)	100
Tenneco Automotive Trading Company (Delaware)	100
Tenneco Deutschland Beteiligungs GmbH (Germany)	100
Case Vibromax GmbH (Germany)	98
Case Vibromax GmbH and Co. (Germany)	2
Case Vibromax Australia (Pty) Ltd. Vibromax France SARL (France)	99
Vibromax SCI (France)	99
Omni-Pac GmbH (Germany)	99
Omni-Pac ApS (Denmark)	100
Omni-Pac A.B. (Sweden)	100
Omni-Pac S.A.R.L. (France)	3
Pit-Stop Auto Services GmbH (Germany)	100
Poclain GmbH (Germany)	100
Case Poclain GmbH & Co. (Germany)	2
Chance Gesellschaft Fuer Baumachinau MbH	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Wilhelm Weller, Herstellung und Vertrieb von Strassenwalzen, GmbH (Germany)	100%
Vibromax France SARL (France)	1
Vibromax SCI (France)	1
Tenneco Egypt, Inc. (Delaware)	100
Tenneco Far East Exploration and Development Company (Delaware)	100
Tenneco Great Britain Limited (United Kingdom)	100
Tenneco Holdings B.V. (Netherlands)	100
Tenneco Nederland B.V. (Netherlands)	100
Case Poclain GmbH & Co. (Germany)	98
Chance Gesellschaft Fuer Baumachinau MbH (Germany)	100
Gebr. Broere B. V. (Netherlands)	100
Antwerp United Tanker Agencies N.V. (Belgium)	100
Agence Maritime Eurotank N.V. (Belgium)	100
Depositass Del Norte, S.A. (Spain)	50
Terminales Quimicos S.A. (Spain)	26
Tank Terminals Rotterdam, B.V. (Netherlands)	100
Tankvaart Dordrecht, B.V. (Netherlands)	100
Case Vibromax GmbH und Co. (Germany)	98
Vibromax Australia (Pty) Ltd. (Australia)	100
Tenneco Transicol B.V. (Netherlands)	100
Nederlandsche Bewoid Maarachappij, B.V. (Netherlands)	100
Tenneco Holdings Danmark A/S (Denmark)	100
Case Traktori Oy (Finland)	100
Finnwalker Oy (Finland)	100
Lydex A/S (Denmark)	100
J. I. Case A/S (Denmark)	100
Handelsselskabet af 12/2/76 Roskilde Aps (Denmark)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Tenneco International Marketing Company (Delaware)	100
Tenneco International N.V. (Netherlands Antilles)	100
Tenneco International Trading Company (Delaware)	100
Tenneco Norge Inc. (Delaware)	100
Tenneco Norway Oil Company (Delaware)	100
Tenneco Offshore Netherlands Company (Delaware)	100
Tenneco Oil Company of Colombia (Delaware)	100
Tenneco Oil Company Norsk A/S (Norway)	100
Tenneco Oil Company of the Bahamas (Delaware)	100
Tenneco Oil Company of Trinidad (Delaware)	100
Tenneco Oil Cote d'Ivoire, Inc. (Delaware)	100
Tenneco United Kingdom Holdings Limited (Delaware)	100
J. I. Case Europe Limited (Delaware)	100
Case Credit Limited (United Kingdom)	100
International Harvester Company of Great Britain Limited (United Kingdom)	100
Omni-Pac U.K. Limited (United Kingdom)	100
Hartmann Fibre Limited (United Kingdom)	100
Tenneco Europe Limited (Delaware)	100
Tenneco International Finance Limited (United Kingdom)	100
Case Credits Limited (United Kingdom)	100
Tenneco International Finance BV (Netherlands)	100
Tenneco International Holdings Limited (United Kingdom)	100
Albright & Wilson Limited (United Kingdom)	100
ACC (Fertilisers) Ltd. (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

FCL Crop Protection, Ltd. (United Kingdom)	100
Robt. Stephenson & Son Ltd. (United Kingdom)	100
The Farmers Co. Ltd. (United Kingdom)	100
Albright & Wilson A.B. (Sweden)	100
Albright & Wilson A/S (Norway)	100
Albright & Wilson Asia Trading (H.K.) Limited (Hong Kong)	100
Albright & Wilson Asia Trading Pie Limited (Singapore)	100
AWAT Thai Ltd. (Thailand)	49
Albright & Wilson Asia Trading Sdn Bhd (Malaysia)	100
Albright & Wilson ESP Trustees Ltd. (United Kingdom)	100
Albright & Wilson Executive Pension Trustees, Ltd. (United Kingdom)	100
Albright & Wilson GmbH (Austria)	100
Albright & Wilson Intertrade Ltd. (United Kingdom)	100
Albright & Wilson Investments (PTY) Ltd. (Australia)	100
Albright & Wilson (Australia) Limited (Australia)	57
National Brands (PTY), Ltd. (Australia)	100
Albright & Wilson New Zealand Limited (New Zealand)	100
Albright & Wilson (Langley) Ltd. (United Kingdom)	100
Albright & Wilson (Malaysia) SDN, BHD. (Malaysia)	100
Albright & Wilson (Marchon) Pte. Limited (Singapore)	100
Ethoxylates Manufacturing Pte. Ltd. (Singapore)	49

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Subsidiaries of Albright & Wilson Overseas Ltd. (continued)

Albright & Wilson Match Phosphorous Co. Ltd. (United Kingdom)	100%
Albright & Wilson (Mfg.) Ltd. (United Kingdom)	100
Albright & Wilson Oils SDN BHD (Malaysia)	100
Albright & Wilson Overseas Ltd. (United Kingdom)	100
Akulu Marchon (PTY) Ltd. (South Africa)	50
Akulu Chemicals (PTY) Ltd. (South Africa)	100
Marchon-Paragon Holdings (PTY) Ltd. (South Africa)	100
Marchon-Paragon Sulphonation (PTY) Ltd. (South Africa)	50
Albright & Wilson Aps (Denmark)	100
Albright & Wilson BV (Netherlands)	100
Albright & Wilson GmbH (Germany)	100
Albright & Wilson International Finance BV (Netherlands)	100
Albright & Wilson Ireland Ltd. (Eire)	100
Albright & Wilson Northern Ireland, Ltd. (United Kingdom)	100
Ibex Ltd. (Ireland)	100
Thawpit (Ireland) Ltd. (Ireland)	100
Albert & Wilson SpA (Italy)	100
Marchon Espanola S.A. (Spain)	100
Marchon France S.A. (France)	100
Marchon Hellas Ltd. (Greek)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom

Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Subsidiaries of Albright & Wilson

Overseas Ltd. (continued)

Marchon Italians SpA (Italy)	100%
Marchon Sud SpA (Italy)	100
Polyphosphates Inc. (Philippines)	40
Albright & Wilson Pension Investments Ltd. (England)	100
Albright & Wilson Produtos Quimicos Ltda. (Brazil)	100
Albright & Wilson Resins and Organics Limited (United Kingdom)	100
Albright & Wilson (Sandwell) Ltd. (United Kingdom)	100
E. P. Potter & Co. Ltd. (United Kingdom)	100
Albright & Wilson Staff Pension Trustees Ltd. (United Kingdom)	100
Albright & Wilson (Warley) Ltd. (United Kingdom)	100
Albright & Wilson Works Pension Trustees Ltd. (United Kingdom)	100
Albright & Wilson Dentifrice Phosphates Sdn. Bhd. (Malaysia)	100
Albright, Morarji and Pandit Limited (India)	39.9
Astoria Shipping & Transport Co., Ltd. (United Kingdom)	100
Cambray Ltd. (United Kingdom)	100
Clifford Christopherson & Co., Ltd. (United Kingdom)	100
Cumbria Trading Co., Ltd. (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom

Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Detergent Chemical Limited (United

Kingdom)	100%
Electropol Ltd. (United Kingdom) . . .	100
General Phosphates Co. Ltd. (United Kingdom)	100
Leo Lines, Ltd. (United Kingdom) . . .	100
Mallison Feeds, Ltd. (United Kingdom)	100
Marchon Products, Ltd. (United Kingdom)	100
Mays Chemical Manure Co., Ltd. (United Kingdom)	100
Mortimer Investment Co. Limited (United Kingdom)	100
Proban Ltd. (United Kingdom)	100
Solway Chemicals, Ltd. (United Kingdom)	100
Stockport United Chemical Co. Ltd. (United Kingdom)	100
Tenneco Malros Ltd. (United Kingdom)	100
Tenneco Organics Ltd. (United Kingdom)	100
Butler (1943) Ltd. (United Kingdom)	50
(50% owned by Petrofina (U.K.) Limited a non-Tenneco company)	
Armdale Fuels Ltd. (United Kingdom)	100
Butler Oil Produce Ltd. (United Kingdom) . . .	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom

Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Albright & Wilson Limited (continued)

Croft Oils Limited (United Kingdom)	100%
Elston Oils Limited (United Kingdom)	100
Gough Oils Limited (United Kingdom)	100
John Oils Limited (United Kingdom)	100
Compass Chemical Company, Ltd. (United Kingdom)	100
The Scottish Chemical Co., Ltd. (United Kingdom)	100
Thai Polyphosphate & Chemicals Co. Ltd. (Thailand)	30
Thomas Tyrer & Co. Ltd. (United Kingdom)	100
Case-Poclain Limited (United Kingdom)	100
David Brown Tractors Limited (United Kingdom)	100
David Brown Tractors (Belfast) Ltd. (United Kingdom)	100
David Brown Tractors (Ireland) Ltd. (Ireland)	100
David Brown Tractors (Retail) Ltd. (United Kingdom)	100
A.M. Exports Limited (United Kingdom)	100
Poclain Limited (United Kingdom)	100
Tractorwork, Limited (United Kingdom)	100
Harmo Industries, Ltd. (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom

Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings Limited (continued)

Subsidiaries of Harmo Industries, Ltd. (continued)

Birmingham Filters Limited (United Kingdom)	100%
Brames Limited (United Kingdom)	100
D. P. Miller & Sons Limited (United Kingdom)	100
Harmo Pressings Limited (United Kingdom)	100
Harmo Steel Co. Limited (United Kingdom)	100
Harmo Tubes Limited (United Kingdom)	100
F. Mould Limited (United Kingdom)	100
F. Mould (Silencers) Limited (United Kingdom)	100
J. W. Hartley (Motor Trade) Limited (United Kingdom)	100
Fisher & Mould Limited (United Kingdom)	100
Harmo Auto Services (Export) Limited (United Kingdom)	100
Harmo Auto Services Limited (United Kingdom)	100
Harmo Export Ltd. (United Kingdom)	100
Harmo Filters Limited (United Kingdom)	100
Harmo Technical Development Limited (United Kingdom)	100
Steering & Suspension Limited (United Kingdom)	100
Karobes Limited (United Kingdom)	100
Midland Trim & Equipment Ltd. (United Kingdom)	100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco International Inc. (continued)

Subsidiaries of Tenneco United Kingdom

Holdings Limited (continued)

Subsidiaries of Tenneco International Holdings

Limited (continued)

Subsidiaries of Harmo Industries, Ltd.

(continued)

The Harmo Engineering Co. Limited

(United Kingdom) 100%

Houston Data Venture (U.K.) Limited
(United Kingdom) 100

J. I. Case Company Limited (United
Kingdom) 100

Monroe Auto Equipment U.K. Limited
(United Kingdom) 100

Tees Storage Company Limited
(United Kingdom) 50

Tenneco-Walker (U.K.) Limited
(United Kingdom) 100

Tenneco West Limited (United Kingdom) . . . 100

Tenneco United Kingdom, Inc. (Delaware) . . . 100

Tenneco Venezuela, Inc. (Delaware) 100

Thompson and Stammers (Dunmow) Limited
(United Kingdom) 100

Universaltrac Beteiligungs GmbH (Germany) . . . 100

Interactor Viehmann GmbH & Co. (Germany) . . . 50

Intertractor A.G. (Switzerland) 100

Intertractor America Corporation (Delaware) . . . 100

Intertractor G.B. Ltd. (United Kingdom) 100

Intertractor Italiana S.R.L. (Italy) 100

Walker Europe, Inc. (Delaware) 100

Walker Norge A/S (Norway) 100

Tenneco LNG Inc. (Delaware) 100

Tenneco Norway LNG Inc. (Delaware) 100

Tenneco Realty, Inc. (Delaware) 100

First National Services, Inc. (Delaware) 100

Immobiliaria Belgrado, S.A. (Mexico) 100

Ten Ten Travis Corporation (Delaware) 100

Subsidiaries of Tenneco Inc. (continued)

Subsidiaries of Tenneco Realty, Inc. (continued)

Tennchase, Inc. (Texas) 100

Tenneco Realty Development Corporation
(Delaware) 100

Meadows of the Kern Mutual Water
Company (California) 100

Stockdale Coffee Company (California) 100

Tenneco Arizona Property Corporation 100

Tenneco Property Corporation (California) . . . 100

Tenneco Realty Development Holding
Corporation (Delaware) 100

Uplands of the Kern Mutual Water
Company (California) 100

Tennessee Gas Building Corporation (Delaware) . . 100

TRI Realty, Inc. (Texas) 100

Tenneco Shale Oil Company (Delaware) 100

Tenneco SNG Inc. (Delaware) 100

Tenneco Trinidad LNG, Inc. (Delaware) 100

Tenneco Ventures Inc. (Delaware) 100

Tennessee Gas Marketing Company (Delaware) 100

Tennessee Gas Services, Inc. (Delaware) 100

Tennessee Gas Transmission Company (Delaware) . . . 100

Tennessee Iroquois Gas Company (Delaware) 100

Tennessee Niagara Gas Company (Delaware) 100

Tennessee Ozark Gas Company (Delaware) 100

Tennessee Storage Company (Delaware) 100

Tennessee Trailblazer Gas Company (Delaware) 100

Walker Manufacturing Company (Delaware) 100

Walker Marketing Corporation (Wisconsin) 100

ASSOCIATED GAS DISTRIBUTORS

AGD is an informal association of East Coast local natural gas distribution companies. The members of AGD and their parent companies, subsidiaries, and affiliates are listed as follows:

Atlanta Gas Light Company*

Subsidiaries:

- Georgia Gas Company
- Georgia Engine Sales & Service
- Trustees Investments, Inc.
- Georgia Natural Gas Company
- Georgia Gas Service Company
- Georgia Energy Company

Baltimore Gas & Electric Company*

Subsidiaries:

- BNG, Inc.
- Constellation Holdings, Inc.
- Constellation Investments, Inc.
- Constellation Properties, Inc.

Affiliate:

- Safe Harbor Water Power Corporation

Bay State Gas Company*

Subsidiaries:

- Bay State Exploration, Inc.
- Bay State Gas Supply, Inc.
- Northern Utilities, Inc.
- Granite State Gas Transmission, Inc.

The Berkshire Gas Company*

Boston Gas Company

Parent: Eastern Gas and Fuel Associates

*Denotes publicly owned member or parent company.

The Brooklyn Union Gas Company*

Subsidiaries:

- Fuel Resources, Inc.
- Fuel Resources Gathering, Inc.
- Brooklyn Union Exploration Company, Inc.
- Gas Energy, Inc.
- Methane Development Corporation
- Collectaccount Services, Inc.
- Star Enterprises, Inc.
- Delaware Valley Propane Company

Central Hudson Gas & Electric Corporation*

Subsidiaries:

- Central Hudson Enterprises Corp.
- Central Hudson Cogeneration, Inc.
- CH Resources, Inc.
- Greene Point Development Corp.
- Phoenix Development Co., Inc.

Chesapeake Utilities Corporation

Subsidiaries:

- Central Florida Gas Co.
- Eastern Shore Natural Gas Co.
- Dover Exploration Co.
- Skipjack, Inc.
- Sharpgas, Inc.

City of Holyoke, Mass., Gas & Electric Department

City of Norwich, Department of Public Utilities

City of Westfield Gas & Electric Light Department

Colonial Gas Company*

Subsidiaries:

- Transgas, Inc. (Mass)
- Massachusetts Associates, Inc. (Mass)

*Denotes publicly owned member or parent company.

Commonwealth Gas Co.

Parent: Commonwealth Energy System*

Concord Natural Gas Corporation

Subsidiary: Concord Gas Service Corp.

Consolidated Edison Company of New York, Inc.*

Delmarva Power & Light Company*

Subsidiaries:

Delmarva Energy Company

Delmarva Industries, Inc.

Delmarva Capital Investments, Inc.

DCI I, Inc.

DCI II, Inc.

Elizabethtown Gas Company

Parent: NUI Corporation*

EnergyNorth, Inc.*

Subsidiaries:

EnergyNorth Realty, Inc.

Gas Service, Inc.

Energy Resources Corp.

Manchester Gas Co.

Concord Natural Gas Corp.

Concord Gas Service Corp.

Rent-A-Space of New England, Inc.

Essex County Gas Company

Fitchburg Gas & Electric Light Company*

Subsidiary: Fitchburg Energy Development Co.

Lynchburg Gas Company

Subsidiary: Lynco Development Corp.

New Jersey Natural Gas Company

Parent: New Jersey Resources Corporation*

*Denotes publicly owned member or parent company.

New York State Electric & Gas Corporation*

Subsidiary: Somerset Railroad Corporation

North Carolina Natural Gas Corporation

Subsidiaries:

NCNG Exploration Corp.

Cape Fear Energy Corp.

Northeast Utilities*

Subsidiaries:

The Connecticut Light and Power Company

Western Massachusetts Electric Company

Holyoke Water Power Company

Northeast Nuclear Energy Company

The Rocky River Realty Company

The Quinnehtuk Company

Northeast Utilities Service Company

Northern Utilities, Inc. (see Bay State Gas Company)

Pennsylvania Gas & Water Company

Parent: Pennsylvania Enterprises, Inc.

Pequot Gas Co.

Philadelphia Electric Company*

Subsidiaries:

Adwin Equipment Company

Adwin Realty Company

Conowingo Power Company

Eastern Pennsylvania Development Company

Eastern Pennsylvania Exploration Company

Philadelphia Electric Power Company

The Susquehanna Electric Company

The Susquehanna Power Company

Philadelphia Gas Works

*Denotes publicly owned member or parent company.

Providence Gas Company

Parent: Providence Energy Corporation*

Public Service Company of North Carolina, Inc.*

Subsidiary:

PSNC Natural Resources Corporation
Tar Heel Energy Corp.
PSNC Production Corp.
PSNC Exploration Corp.
PSNC Propane Corp.

Public Service Electric & Gas Company*

Subsidiaries:

Energy Pipeline Corporation
Energy Terminal Services Corporation
Mulberry Street Urban Renewal Corporation
PSE&G Overseas Finance N.V.
PSE&G Research Corporation
Public Services Resources Corp.
Community Energy Alternatives, Inc.
Energy Development Corporation
Gasdel Pipeline System, Inc.

South County Gas Co.

South Jersey Gas Co.

Parent: South Jersey Industries, Inc.*

The Southern Connecticut Gas Co.

Parent: Connecticut Energy Corp.*

UGI Corporation*

Subsidiaries:

AmeriGas, Inc.
AP Propane
AmeriGas II, Inc.
Schwartz Carbonic Company
Industrial Gases, Inc.
Picar, Inc.

*Denotes publicly owned member or parent company.

UGI Corporation* (continued)

Subsidiaries:

Amerilease, Inc.
ANSUTECH, Inc.
Matheson Gas Products, Inc.
Matheson Gas Products Canada, Inc.
UGI Development Company
Ashtola Production Company
International Petroleum Service Company
Keystone Oilfield Supply Co.
Stimwell Services Company
B&L Services Company
Universal Well Services, Inc.
Target Cementing Co.
UGID Holding Company
Triad Drilling Company
Union Supply Company
Wellhead Compressor Packagers Company
Wellhead Finance Co.
Cryotex, Inc.
Heavy Media, Inc.
Four Flags Drilling Company, Inc.
Tri-Four, Inc.
UGID Drilling Company
UGID Drilling Investing Company
UGI Ethanol Development Corporation
SAM's Well Service, Inc.
Development Leasing Corporation
Physicians Technology Corporation
Capital Housing, Inc.
Skyten Corporation
UGI Realty Company
UGI Finance N.V.

Valley Gas Co.

Parent: Valley Resources, Inc.*

*Denotes publicly owned member or parent company.

Washington Gas Light Co.*

Subsidiaries:

Crab Run Gas Co.
 Davenport Insulation, Incorporated
 Frederick Gas Co., Inc.
 Hampshire Gas Co.
 Shenandoah Gas Co.
 Brandywood Estates, Inc.
 Washington Gas Approved Services, Inc.
 Rock Creek Properties, Inc.
 Utilitrol

The following are subsidiaries or affiliates of Panhandle Eastern Pipe Line Company:

CORPORATION	PARENT COMPANY
Centana Energy Corporation	PEC
Dixilyn-Field Drilling Company	PEC
Energy Pipelines International Company	PEC
Indiana-Ohio Pipeline Company	PEC
Lachmar	DEL Partnership
Mantaray Pipeline Company	PEC
Morgas, Inc.	PEC
National Helium Corporation	CEC
Pan Alaskan Gas Company	PEC
Pan Border Gas Company	PEPL
Pan Eastern Coal Company	PEC
Pan Gas Storage Company	PEPL
Pan National Gas Sales, Inc.	PEC
Pan Transportation, Inc.	PEC
Panhandle Canadian Gas, Limited	PEPL
Panhandle Eastern Corporation	Parent Company
Panhandle Eastern Pipe Line Company	PEC
Panhandle Trading Company	PEC
Panmark Gas Company	PEPL
Pantheon, Inc.	PEC
Pelmar Company	PEC
Portal Sales, Inc.	PEC
Source Cogeneration Company, Inc.	PEC
Southwest Gas Storage Corporation	PEPL
Stingray Pipeline Company	La Partnership
Trunkline Gas Company	PEPL
Trunkline LNG Company	PEC
Trunkline Offshore Company	TGC
Youghiogheny and Ohio Coal Company, The	PEC

*Denotes publicly owned member or parent company.